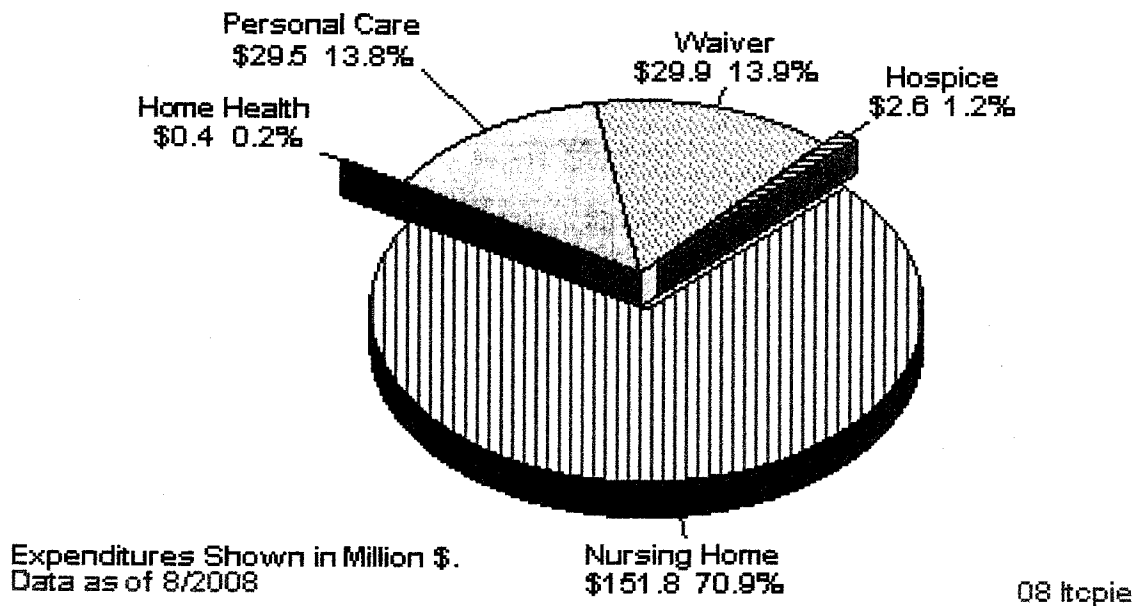


Figure 1

EXHIBIT 1
DATE 1-26-09
NO. 202

SFY 2008 Expenditures For Medicaid Long Term Care Services



The chart above shows that in FY 2008 the Senior and Long Term Care Division spent \$151.8 million on nursing home care, approximately \$30 million on home and community based waiver services, such as assisted living and in home care; and another \$30 million on personal care services, a much smaller amount about \$3 million on hospice and home health care. The total is just shy of \$200 million. Montana's share was about \$64 million and the Feds share was about \$136 million. (68% vs 32% federal Medicaid matching funds)

4875 people were in nursing homes

3242 people received personal assistance

2202 people received waiver type care for a total of 10319 people receiving some portion of their care financed by tax payer dollars - this is approximately \$20,000 each.

Figure 2

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

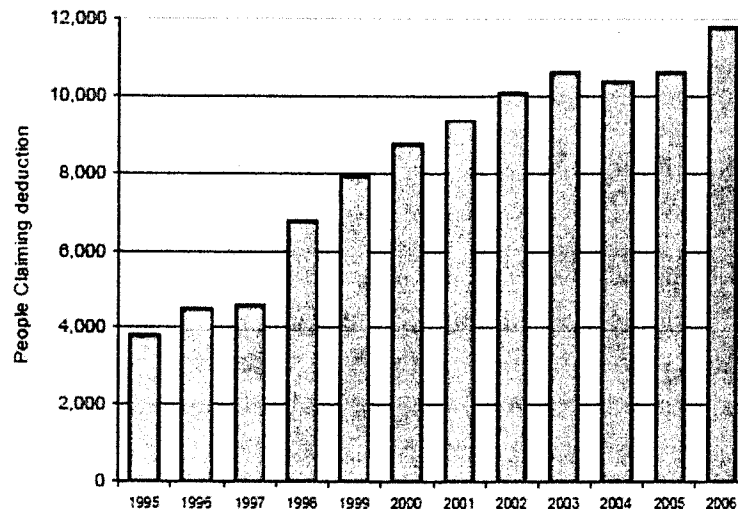
GOAL B

INCREASE THE NUMBER OF MONTANANS WHO MEET SOME OR ALL OF
THEIR OWN, OR SOMEONE ELSE'S, LONG TERM CARE NEEDS

OBJECTIVE 1

INCREASE THE NUMBER OF PEOPLE WITH LONG TERM CARE INSURANCE
AS MEASURED BY THE NUMBER OF PEOPLE CLAIMING A TAX
DEDUCTION FOR LONG TERM CARE INSURANCE ON THEIR STATE
INCOME TAX RETURNS

Annual LTC Insurance Tax Deductions Claimed



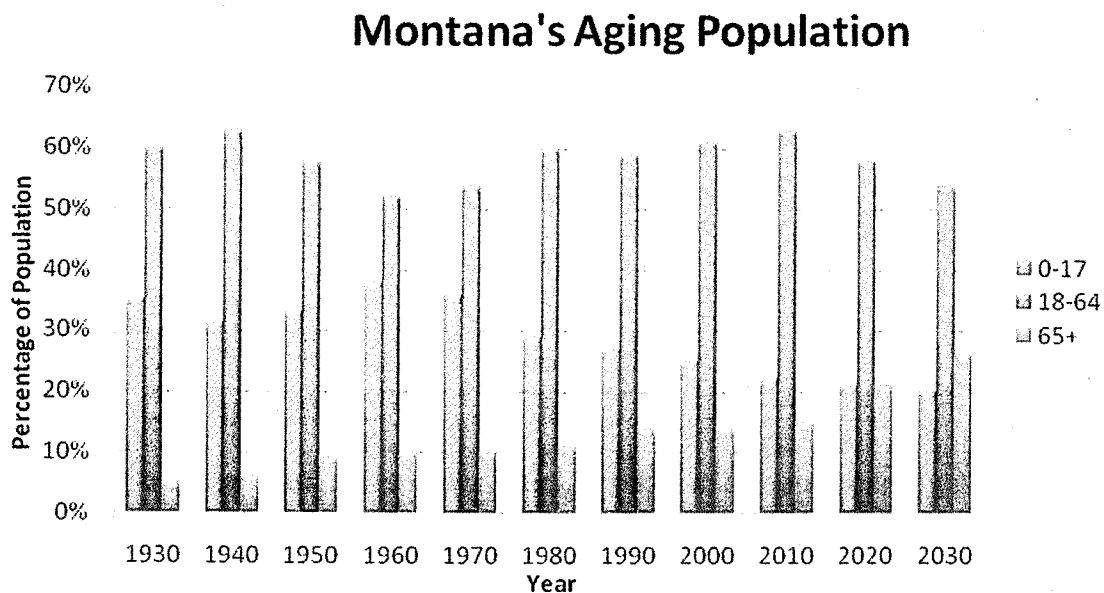
COMMENT AND NOTES: Data provided by the Montana Department of Revenue, Tax Policy and Research Bureau. Tax year data for 2007 will not be available until November 2008.

REPORT DATE:

September 1, 2008

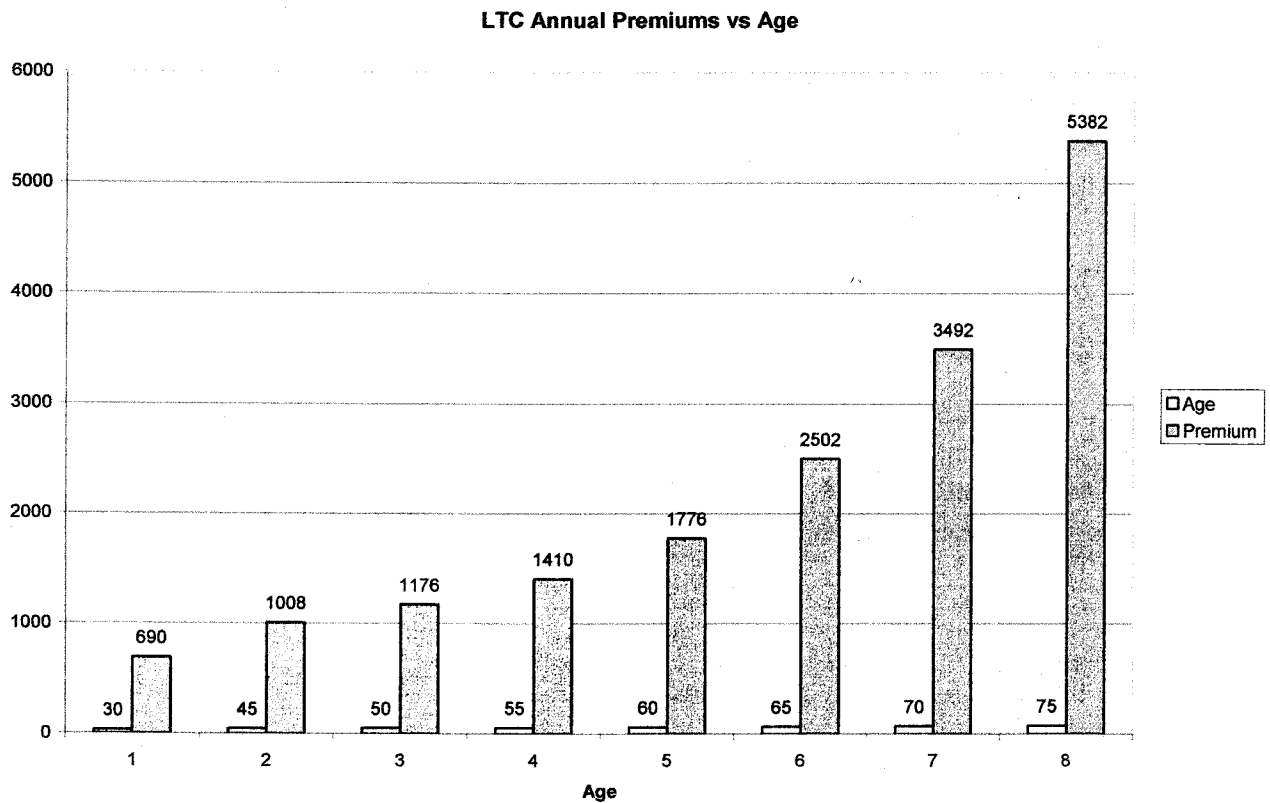
Note – according to the fiscal note, 13172 people claimed the deduction in 2007 which is about a 10.7% increase over 2006.

Figure 3



If you look at the last 3 sets of bars on the right, you can see that the number of people over age 65 rises from about 15% of the population to slightly over 25% of the population - while this is only a 10% increase in the overall population model, it is a 60% increase in the total number of people over age 65. Assuming a current population of about 950,000 and a 0 population growth rate for ease of figuring, that growth will be from about 142,500 people today to 237,500 in 2030, an increase of 95,000 people. Combine that with a decline in the working age class by about 85,000 people (~9% drop) and one can begin to wonder just where the money to care for our aging population will come from. Obviously Montana will have population growth and these numbers will be greater. We must do what we can to encourage people to assume personal responsibility to provide for themselves.

Figure 4



Note that the rate of premium increase for each 5 years of age is fairly lineal from age 45 to age 60. After age 60 is greatly increases and goes parabolic. But even at age 75, the annual premium is only about one month's worth of nursing home care (assuming you can find an insurance company to sell it to you at that age).